

The CDMO Scale Race Is Over. The Integration Race Has Begun

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At BIO Asia-Taiwan 2026, Formosa Laboratories Dr. Tom Tseng explains why the future of pharmaceutical outsourcing will be won by CDMOs that connect scientific expertise, ADC development and end-to-end manufacturing—not simply those with the largest capacity.



The global CDMO market is moving beyond the era when manufacturing capacity alone defined competitive advantage. As ADCs and other complex therapies move rapidly through development pipelines, integration, scientific problem-solving and the ability to reduce hand-offs are becoming increasingly valuable.

Speaking exclusively with BioSpectrum Asia during **BIO Asia-Taiwan 2026**, **Dr. Tom Tseng, Assistant Vice President, FDF & CDMO Service, Business Development, Marketing & Sales Department at Formosa Laboratories**, discusses the company's transformation from an API manufacturer into an integrated CDMO spanning ADCs and sterile injectables. He also shares how Formosa is building its global footprint and why the next generation of CDMO leaders will compete on expertise, flexibility and end-to-end execution rather than scale alone.

Formosa Laboratories has successfully evolved from a traditional API supplier into a fully integrated ADC and injectable CDMO. What strategic factors have driven this transformation, and how has it reshaped the company's long-term vision?

Our transformation has been driven by two key strategic factors.

First, the generic API market has become increasingly competitive, with rising pricing pressure and narrowing margins. While generic APIs remain an important and stable part of our business, we recognized the need to diversify into higher-value segments that offer stronger growth potential and greater differentiation.

Second, over the years, Formosa Laboratories has built strong capabilities across the entire pharmaceutical value chain, including R&D, process development, material sourcing, manufacturing, and quality management. These accumulated strengths have enabled us to expand beyond generic APIs into injectable products and integrated CDMO services,

particularly in complex modalities such as ADCs and sterile injectables.

Looking ahead, we will continue to maintain our generic API business as a solid revenue base, while injectable products and CDMO services will serve as our primary long-term growth engines. Our vision is to become a trusted end-to-end partner for global pharmaceutical and biotech companies, leveraging our integrated capabilities to support customers from development through commercial manufacturing and to create sustainable long-term value.

Antibody-drug conjugates continue to attract significant investment and development activity worldwide. Where do you see the greatest opportunities and bottlenecks currently shaping the ADC manufacturing landscape?

The ADC market continues to offer significant growth opportunities as more candidates advance into clinical development and demand for integrated manufacturing solutions increases. At the same time, manufacturing remains one of the greatest challenges due to the complexity of coordinating antibody production, conjugation, and sterile fill-finish while maintaining consistent quality and regulatory compliance among different CDMOs.

The market is shifting toward integrated CDMO models that streamline development, improve operational efficiency, and reduce technology transfer risks, particularly for ADC programs. At Formosa Laboratories, we are well positioned to support this trend through our close collaboration with our sister company, EirGenix. Together, we combine antibody development and manufacturing with ADC conjugation and sterile injectable capabilities to provide customers with a seamless, end-to-end solution.

In addition, both companies operate GMP manufacturing facilities that have been approved by major regulatory authorities, including the U.S. FDA, EMA, and PMDA. This enables us to support customers with confidence throughout both clinical and commercial manufacturing.

The acquisition of SynChem-Formosa represents an important milestone in strengthening your North American footprint. How does this acquisition enhance your capabilities and support the evolving requirements of global customers?

SynChem-Formosa brings strong medicinal chemistry expertise and has provided FTE-based research to several pharmaceutical companies. This acquisition significantly strengthens our presence in North America and allows us to engage with customers in north America much earlier in the drug development process.

It also creates a seamless development pathway, where early-stage discovery and medicinal chemistry can be carried out in Synchem, while process development, scale-up, and GMP manufacturing are supported by our facilities in Taiwan. This integrated model enables customers to transition their programs more efficiently, reducing technology transfer risks and accelerating development timelines.

Looking ahead, along with our business continues to expand, we will also continue to evaluate opportunities to establish manufacturing capabilities in the United States, further enhancing our ability to support not only in the lab but also for GMP manufacturing.

As biologics, ADCs, and targeted therapies become increasingly complex, what are clients now looking for in CDMO partners beyond traditional manufacturing expertise?

As biologics and ADCs become more complex, we did observe shift in customer expectations. Today, clients are looking for CDMO partners that can contribute scientific insight early in development, help solve technical challenges, and provide access to the right technologies—not solely manufacturing capacity.

For ADC programs in particular, many customers come to us with a target receptor or antibody and seek our input on the most appropriate development strategy. We work with customers to suggest different conjugation technologies and design options based on the specific requirements of each program.

Another important trend is the growing demand for access to innovative technology platforms. Through our collaborations with biotechnology partners, we can help customers assess different technology options and that facilitate connections for potential licensing while continuing to support development and manufacturing as their CDMO for development and manufacturing.

Ultimately, we believe the most valued CDMO partners will be those that combine scientific expertise, technology access, and manufacturing capability to help customers move their programs forward.

With recent FDA approvals, facility expansions, and investments in integrated capabilities, how is Formosa positioning itself to compete with established global CDMO leaders?

Our strategy is not to compete with the largest global CDMOs on scale, but to differentiate ourselves through flexibility, technical expertise, and integrated capabilities.

For emerging biotechnology companies, we provide the flexibility to adapt development and manufacturing strategies as their programs evolve, supporting them from early clinical development through commercial manufacturing. Also, we continue to leverage our expertise to provide commercial manufacturing services for biotech or pharmaceutical companies. These two business models complement each other and are both important to our long-term growth strategy.

The other key area of focus is ADCs. Over the past several years, we have continued to invest in ADC process development and manufacturing capabilities, enabling us to support programs from early development through late-stage clinical supply and, increasingly, commercial-scale manufacturing. Together with EirGenix, we offer an integrated platform that combines antibody development and manufacturing, ADC conjugation, and sterile fill-finish. This vertical integration simplifies development, reduces technology transfer risks, and provides customers with a more seamless path from development to commercialization.

We also continue to expand our sterile manufacturing capabilities. In addition to conventional sterile fill-finish services, we have invested in assembly capabilities for combination products, enabling us to support a broader range of drug-device products as market demand continues to grow.

Quality has always been the foundation of our business. Our quality systems have been qualified by global authorities for many years, and the recent successful FDA, EMA inspection of our injectable facility further reinforces customers' confidence in our ability to meet global regulatory requirements and strengthens our ability to support both drug substance and drug product manufacturing.

Looking ahead, we believe the next phase of competition in the CDMO industry might not be defined only by manufacturing capacity, but by the ability to provide specialized expertise, integrated solutions, and long-term partnership. That is the role we aspire to play for our customers—as a trusted partner that grows with them from early development through commercial manufacturing.

Looking ahead, how do you see the future of integrated API, ADC, and finished-dose manufacturing evolving over the next five years, and what role will Formosa Laboratories play in that transformation?

Pharmaceutical outsourcing landscape will continue to evolve over the next five years, and CDMOs will play an increasingly important role across the entire drug development value chain.

Innovation is increasingly being driven by biotechnology companies, while large pharmaceutical companies are accelerating product development through licensing, strategic partnerships, and acquisitions rather than relying solely on internal R&D. As a result, more development and manufacturing activities are being outsourced, and customers are looking for CDMO partners that can provide not only manufacturing capabilities, but also technical expertise, development experience, and the ability to solve complex manufacturing challenges.

At the same time, we expect the demand for integrated manufacturing solutions to continue growing. Customers increasingly prefer partners that can support multiple stages of development—from APIs and ADCs to sterile fill-finish—helping reduce technology transfer risks, improve development efficiency, and accelerate timelines. As more ADC programs progress toward commercialization, the need for reliable commercial-scale manufacturing and integrated capabilities will become even more important.

For Formosa Laboratories, our focus is to continue strengthening our core capabilities in small-molecule APIs, highly potent APIs, ADCs, and peptide therapeutics. Together with EirGenix, we are building an integrated platform spanning antibody development and manufacturing, ADC conjugation, and sterile fill-finish. The addition of SynChem-Formosa has also strengthened our early-stage development capabilities and expanded our presence in North America. Looking ahead, we are also evaluating the establishment of U.S.-based clinical manufacturing capabilities to better support our customers

as our business continues to grow.

Ultimately, we believe the future of the CDMO industry will be defined not only by manufacturing capacity, but by technical expertise, integrated capabilities, and the ability to build long-term partnerships. Our goal is to grow alongside our customers, helping them navigate development challenges and supporting their programs from early development through commercialization.